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OFFICE OF PETITIONS

In re Patent No. 7,501,427 :
Wallace et al. : DECISION ON
Issue Date: March 10, 2009 : REQUEST FOR RECONSIDERATION
Application No. 10/642,440 : OF
Filed: August 14, 2003 : PATENT TERM ADJUSTMENT
Attorney Docket No. 102-02-US :

This is in response to the "REQUEST FOR RECONSIDERATION OF PATENT TERM ADJUSTMENT UNDER 37 CFR §1.705(d)," filed May 6, 2009, requesting that the patent term adjustment determination for the above-identified patent be changed from six hundred ninety-five (695) days to one thousand ninety-three (1093) days.

The request for reconsideration of patent term adjustment is **DISMISSED**.

On March 10, 2009, the above-identified application matured into U.S. Patent No. 7,501,427 with a patent term adjustment of 695 days. This request for reconsideration of patent term adjustment (including the required fee) was timely filed within two months of the issue date of the patent. See 1.705(d).

Patentees maintain that the patent term methodology identified and explained in *Wyeth v. Dudas*, 580 F. Supp. 2d 138, 88 U.S.P.Q. 2d 1538 (D.D.C. 2008) governs the USPTO calculation of the patent term adjustment for this patent. Therefore, patentees maintain that the patent term adjustment should have been 1093 days.

Patentees argue that the period of adjustment due to the Three Year Delay by the Office, pursuant to 37 CFR § 1.703(b), is 939 days. This 939 day period is calculated based on the application having been filed under 35 U.S.C. §111(a) on August 14, 2003, and the patent having not issued until March 10, 2009, three years and 939 days later.

Patentees assert that in addition to this 939 day period, they are entitled to a period of adjustment due to examination delay, pursuant to 37 CFR §1.702(a), totalling 598 days. This 598 day period is the sum of:

- a period of delay of 398 days for the failure by the Office to mail at least one of a notification under 35 U.S.C. 132 not later than fourteen months after the date on which the application was filed under 35 U.S.C. 111(a), pursuant to § 1.702(a)(1);
- a period of delay of 37 days for the failure by the Office to respond to a reply under 35 U.S.C. 132 not later than four months after the date on which the reply was filed, pursuant to § 1.702(a)(2);
- a period of delay of 4 days for the failure by the Office to respond to a reply under 35 U.S.C. 132 not later than four months after the date on which the reply was filed, pursuant to § 1.702(a)(2);
- a period of delay of 159 days for the failure to issue a patent not later than four months after the date on which the issue fee was paid under 35 U.S.C. 151 and all outstanding requirements were satisfied, pursuant to § 1.702(a)(4).

The Office does not dispute bullets 1, 2, and 4 above. The Office disputes bullet 3 above. Bullet 3 above pertains to an Office action mailed on August 20, 2007. Patentees state that on May 16, 2007, patentees filed a response to a non-final Office action and the examiner mailed a final rejection on August 20, 2007. Patentees argue this action is grounds for finding additional Office delay of 4 days.

Patentees are informed that this argument is untimely presented and will not be addressed.¹ 35 U.S.C. 154(b) provides for patent term adjustment for examination delay. Pursuant to 35 U.S.C. 154(b)(3)(B) and implementing regulation 37 C.F.R. § 1.705, an applicant shall receive an initial determination of patent term adjustment with the mailing of the Notice of Allowance and shall be given one opportunity to request reconsideration of that

¹ Patentees are reminded that the Office may take four months to respond to a reply under 35 U.S.C. 13237 CFR 1.702(a)(2).

determination by way of filing of an application for patent term adjustment prior to the payment of the issue fee.

On March 5, 2008, the Office mailed a Determination of Patent Term Adjustment under 35 U.S.C. 154(b) in the above-identified application. The Notice stated that the patent term adjustment to date is 311 days. The Office delay of 4 days asserted, if warranted, should have been included in this initial determination. PALM records indicate that the issue fee payment was received in the Office on June 2, 2008. No filing of an application for patent term adjustment preceded the payment of the issue fee. The period for filing an application for patent term adjustment requesting reconsideration of the initial determination of patent term adjustment at the time of mailing of the notice of allowance ended June 2, 2008. Accordingly, the request to reconsider the initial determination of patent term adjustment is untimely filed under 1.705(b).

Consideration under 1.705(d) is not appropriate. As stated in MPEP 2730, 1.703(d) provides that:

If there is a revision to the patent term adjustment indicated in the notice of allowance, the patent will indicate the revised patent term adjustment. If the patent indicates or should have indicated a revised patent term adjustment, any request for reconsideration of the patent term adjustment indicated in the patent must be filed within two months of the date the patent issued and must comply with the requirements of paragraphs (b)(1) and (b)(2) of this section. Any request for reconsideration under this section that raises issues that were raised, or could have been raised, in an application for patent term adjustment under paragraph (b) of this section shall be dismissed as untimely as to those issues.

The argument raised in bullet 3 should have been timely raised on application for patent term adjustment under § 1.705(b).

Thus, the period of adjustment due to examination delay, pursuant to 37 CFR §1.702(a), totals 594 days.

Under 37 CFR § 1.703(f), applicants are entitled to a period of patent term adjustment equal to the period of delays based on the grounds set forth in 37 CFR §1.702 reduced by the period of time equal to the period of time during which applicants failed

to engage in reasonable efforts to conclude prosecution pursuant to 37 CFR §1.704. In other words, the period of Office delay reduced by the period of applicant delay. The period of reduction of 244 days for applicant delay is not in dispute. Patentees assert that the total period of Office delay is the sum of the period of Three Years Delay (939 days) and the period of Examination Delay (594 days, as discussed above) to the extent that these periods of delay are not overlapping.

Further, patentees articulate the periods of overlap as follows:

Patentees contend that the full 37 days for the failure by the Office to respond to a reply under 35 U.S.C. 132 not later than four months after the date on which the reply was filed, pursuant to § 1.702(a)(2) (December 11, 2006 to January 16, 2007) overlaps with a portion of the Three Year delay period (August 15, 2006 to March 10, 2009). Patentees assert that this overlapping period is the entire 37 days from December 11, 2006 to January 16, 2007.

Patentees contend that the full 159 days for the failure to issue a patent not later than four months after the date on which the issue fee was paid under 35 U.S.C. 151 and all outstanding requirements were satisfied, pursuant to § 1.702(a)(4) (October 3, 2008 to March 10, 2009) overlaps with a portion of the Three Year delay period (August 15, 2006 to March 10, 2009). Patentees assert that this overlapping period is the entire 159 days from October 3, 2008 to March 10, 2009.

Thus, according to patentees the total period of overlap is 196 days. (This figure does not take the asserted 4 day additional period of Office delay into consideration. It is noted that patentees argue that the asserted 4 day additional period overlaps with a portion of the Three Year delay period.)

Not including the asserted 4 day additional period of Office delay into consideration, patentees submit that the total period of Office Delay is 1337 days, which is the sum of the period of Three Year Delay (939 days) and the period of Examination Delay (594 days), reduced by the period of overlap (196 days).

As such, not including the asserted 4 day additional period of Office delay into consideration, patentees assert entitlement to a patent term adjustment of 1093 days (939 +594 reduced by 196 overlap -244 for applicant delay).

The Office agrees that the patent issued 3 years and 939 days after its filing date. The Office agrees that the actions detailed above were not taken within the specified time frames, and thus, the entry of period of adjustment of 594 days is correct. At issue is whether patentees should accrue 743 (adjusted for overlap, per patentees' calculations, not considering the asserted 4 day additional period of Office delay) days of patent term adjustment for the Office taking in excess of three years to issue the patent, as well as, 594 days, not considering the asserted 4 day additional period of Office delay, for Office failure to take certain actions within a specified time frames (or examination delay).

The Office contends that the 939 days overlaps with the 594 days. Patentees' interpretation of the period of overlap has been considered and found to be incorrect. Patentees' calculation of the period of overlap is inconsistent with the Office's interpretation of this provision. 35 U.S.C. 154(b)(2)(A) limits the adjustment of patent term, as follows:

to the extent that the periods of delay attributable to grounds specified in paragraph (1) overlap, the period of any adjustment granted under this subsection shall not exceed the actual number of days the issuance of the patent was delayed.

Likewise, 37 CFR 1.703(f) provides that:

To the extent that periods of delay attributable to the grounds specified in §1.702 overlap, the period of adjustment granted under this section shall not exceed the actual number of days the issuance of the patent was delayed.

As explained in *Explanation of 37 CFR 1.703(f) and of the United States Patent and Trademark Office Interpretation of 35 U.S.C. 154(b)(2)(A)*, 69 Fed. Reg. 34283 (June 21, 2004), the Office interprets 35 U.S.C. 154(b)(2)(A) as permitting either patent term adjustment under 35 U.S.C. 154(b)(1)(A)-(iv), or patent term adjustment under 35 U.S.C. 154(b)(1)(B), but not as

permitting patent term adjustment under both 35 U.S.C. 154(b)(1)(A)(i)-(iv) and 154(b)(1)(B). Accordingly, the Office implements the overlap provision as follows:

If an application is entitled to an adjustment under 35 U.S.C. 154(b)(1)(B), the entire period during which the application was pending (except for periods excluded under 35 U.S.C. 154(b)(1)(B)(i)-(iii)), and not just the period beginning three years after the actual filing date of the application, is the period of delay under 35 U.S.C. 154(b)(1)(B) in determining whether periods of delay overlap under 35 U.S.C. 154(b)(2)(A). Thus, any days of delay for Office issuance of the patent more than 3 years after the filing date of the application, which overlap with the days of patent term adjustment accorded prior to the issuance of the patent will not result in any additional patent term adjustment. See 35 U.S.C. 154(b)(1)(B), 35 U.S.C. 154(b)(2)(A), and 37 CFR § 1.703(f). See *Changes to Implement Patent Term Adjustment Under Twenty Year Term; Final Rule*, 65 Fed. Reg. 54366 (Sept. 18, 2000). See also *Revision of Patent Term Extension and Patent Term Adjustment Provisions; Final Rule*, 69 Fed. Reg. 21704 (April 22, 2004), 1282 Off. Gaz. Pat. Office 100 (May 18, 2004). See also *Explanation of 37 CFR 1.703(f) and of the United States Patent and Trademark Office Interpretation of 35 U.S.C. 154(b)(2)(A)*, 69 Fed. Reg. 34283 (June 21, 2004).

The current wording of § 1.703(f) was revised in response to the misinterpretation of this provision by a number of applicants. The rule was slightly revised to more closely track the corresponding language of 35 U.S.C. 154(b)(2)(A). The relevant portion differs only to the extent that the statute refers back to provisions of the statute whereas the rule refers back to sections of the rule. This was not a substantive change to the rule nor did it reflect a change of the Office's interpretation of 35 U.S.C. 154(b)(2)(A). As stated in the *Explanation of 37 CFR 1.703(f) and of the United States Patent and Trademark Office Interpretation of 35 U.S.C. 154(b)(2)(A)*, the Office has consistently taken the position that if an application is entitled to an adjustment under the three-year pendency provision of 35 U.S.C. 154(b)(1)(B), the entire period during which the application was pending before the Office (except for periods excluded under 35 U.S.C. 154(b)(1)(B)(i)-(iii)), and not just the period beginning three years after the actual filing

date of the application, is the relevant period under 35 U.S.C. 154(b)(1)(B) in determining whether periods of delay "overlap" under 35 U.S.C. 154(b)(2)(A).

This interpretation is consistent with the statute. Taken together the statute and rule provide that to the extent that periods of delay attributable to grounds specified in 35 U.S.C. 154(b)(1) and in corresponding §1.702 overlap, the period of adjustment granted shall not exceed the actual number of days the issuance of the patent was delayed. The grounds specified in these sections cover the A) guarantee of prompt Patent and Trademark Office responses, B) guarantee of no more than 3 year application pendency, and C) guarantee or adjustments for delays due to interference, secrecy orders and appeals. A section by section analysis of 35 U.S.C. 154(b)(2)(A) specifically provides that:

Section 4402 imposes limitations on restoration of term. In general, pursuant to [35 U.S.C.] 154(b)(2)(A)-(C), total adjustments granted for restorations under [35 U.S.C. 154](b)(1) are reduced as follows: (1) To the extent that there are multiple grounds for extending the term of a patent that may exist simultaneously (e.g., delay due to a secrecy order under [35 U.S.C.] 181 and administrative delay under [35 U.S.C.] 154(b)(1)(A)), the term should not be extended for each ground of delay but only for the actual number of days that the issuance of a patent was delayed; See 145 Cong. Rec. S14,718²

As such, the period for over 3 year pendency does not overlap only to the extent that the actual dates in the period beginning three years after the date on which the application was filed overlap with the actual dates in the periods for failure of the Office to take action within specified time frames. In other words, consideration of the overlap does not begin three years after the filing date of the application.

In this instance, the relevant period under 35 U.S.C. 154(b)(1)(B) in determining whether periods of delay "overlap" under 35 U.S.C. 154(b)(2)(A) is the entire period during which

² The AIPA is title IV of the Intellectual Property and Communications Omnibus Reform Act of 1999 (S. 1948), which was incorporated and enacted as law as part of Pub. L. 106-113. The Conference Report for H.R. 3194, 106th Cong. 1st Sess. (1999), which resulted in Pub. L. 106-113, does not contain any discussion (other than the incorporated language) of S. 1948. A section-by-section analysis of S. 1948, however, was printed in the Congressional Record at the request of Senator Lott, See 145 Cong. Rec. S14,708-26 (1999) (daily ed. Nov. 17, 1999).

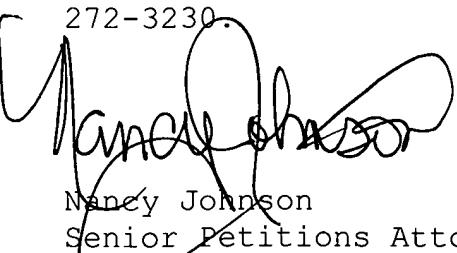
the application was pending before the Office, August 14, 2003 to March 10, 2009. (There were no periods excluded under 35 U.S.C. 154(b)(1)(B)(i)-(iii)). 594 days of patent term adjustment were accorded prior to the issuance of the patent for the Office failing to respond within specified time frames during the pendency of the application. The Office took 14 months and 398 days to issue a first Office action, four months and 37 days to mail a non-final Office action in response to a response filed August 10, 2006, and 4 months and 159 days to issue the patent once all requirements were met. Otherwise, the Office took all actions set forth in 37 C.F.R. § 1.702(a) within the prescribed timeframes. Nonetheless, given the initial 594 days of Office delay and the time allowed within the timeframes for processing and examination, the patent issued, three years and 939 days after its filing date. The period of delay of 939 days attributable to the delay in the issuance of the patent overlaps with the adjustment of 594 days attributable to grounds specified in § 1.702(a)(1), (2), and (4). 939 days is determined to be the actual number of days issuance of the patent was delayed.

Accordingly, at issuance, the Office properly entered 345 additional days of patent term adjustment for the Office taking in excess of 3 years to issue the patent for a total of 939 days of Office delay.

In view thereof, the Office affirms that the correct revised determination of patent term adjustment at the time of the issuance of the patent is 695 days.

The Office acknowledges submission of the \$200.00 fee set forth in 37 CFR 1.18(e). No additional fees are required.

Telephone inquiries specific to this matter should be directed to Shirene Willis Brantley, Senior Petitions Attorney, at (571) 272-3230.


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